

‘Equalize to the point of need’: Alberta premier pitches equalization plan to prime minister

By **Angela Amato** | Published: July 29, 2026

Canadian Prime Minister Mark Carney announced millions of dollars for infrastructure upgrades for housing in Alberta. Curtis Goodrum reports

Alberta Premier Danielle Smith took the opportunity to pitch an equalization plan to Prime Minister Mark Carney at a press conference in Red Deer Wednesday.

Smith said her government has calculated an over-compensation to the “have-not provinces” of \$7 billion over the last five years.

“My pitch to the prime minister is: Let’s just get rid of that escalator. Let’s equalize to the point of need and then let’s take the excess that’s in that fund and distribute it back to the provinces on an equal per capita basis,” said Smith.

The federal and provincial governments are to consult on renewing equalization before March 31, 2029.

“One of the things that underpins this country is a sense of fairness,” said Carney. “At the heart of fairness ... is that Canadians have accessed comparable services, whether it’s health, education ... Doesn’t mean it’s exactly the same, but reasonably comparable, and that they have reasonably comparable resources in order to do that.”

The prime minister went on to say that the calculation of resources will be looked at as the equalization review approaches.

Equalization payments are based on a measure of fiscal capacity and are allocated to provinces accordingly. The current formula is primarily based on recommendations from a 2006 report.

Smith recently called for a review of the equalization program, saying it needs to be reworked so Alberta has more money to look after its own priorities.